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FOREIGN CROPS and MARKETS

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LATE CABLES

Canadian Prairie Provinces received general rains during week ended June 18, and crop conditions continue favorable. Dry northern section of Alberta benefited especially and crop prospects better, but some eastern areas extending into Saskatchewan received light ineffectual showers only and urgently need more moisture. Warmer weather in western Canada promoted growth, and all grains appear healthy. Grasshoppers more active and serious outbreak of wheatstem sawfly expected. In British Columbia showery weather prevailed during first 2 weeks of June; grains progressed well but haying impeded. Field work in Maritimes delayed by rains but forage crops improved. Threatened drought in Quebec averted by rains, but growth of crops still backward. Slow crop progress in Ontario prior to June 14, accelerated by rainfall over the following week end.

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British Ministry of Food issued order effective June 14, 1941, permitting importation and sale of bacon and ham, free of obligation imposed by Merchandise Marks Act 1926, which requires that such products bear indication of their origin.

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Rice harvest in State of Rio Grande do Sul, Brazil, damaged about 40 percent of normal crop (12,000,000 bushels) by recent floods. Quality said to be impaired and much of the crop may not be fit for export. Federal Government may restrict rice exports.

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NOTICE - A supplement containing an analysis of United States trade in agricultural products for the calendar year 1940, with detailed statistics, has been prepared, and will be mailed upon request to the Office of Foreign Agricultural Relations.

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GRAINS

UNITED STATES WHEAT EXPORTS INCREASED DURING APRIL . . .

Exports of United States wheat, including flour as grain, increased during April, and the month's total of 4.9 million bushels was the largest reported during the present marketing year. The bulk of the shipments, nearly 3 million bushels, were of flour made from domestic wheat, but 1.2 million bushels of grain also entered trade channels. Exports of flour milled in bond, mostly from Canadian wheat, amounted to 0.6 million bushels. About 3.8 million bushels were shipped out in April 1940, of which 1.8 million were of grain, 1.3 million of flour from domestic wheat, and 0.7 million bushels of flour from other wheat.

During July-April, a total of 33.4 million bushels of wheat and flour was exported from the United States as compared with 50.2 million bushels in the corresponding period of last season. As an emergency measure, beginning April 1, the Bureau of Foreign and Domestic Commerce ceased to issue trade returns by countries of destination, but nearly half of the wheat and flour exported from July 1, 1940, through March 31, 1941, went to the Far East and nearly a third to the Latin American countries.

UNITED STATES: Exports of wheat and flour, by months, 1939-40 and 1940-41

Month	1939-40				1940-41			
	Wheat	Flour from		Total	Wheat	Flour from		Total
		U.S. wheat	Other wheat			U.S. wheat	Other wheat	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July....	3,018	3,468	784	7,270	1,888	1,212	598	3,698
Aug. ...	5,903	2,212	820	8,935	934	1,429	613	2,976
Sept. ..	2,530	2,127	1,018	5,675	990	1,541	514	3,045
Oct. ...	1,701	2,251	677	4,629	1,283	2,449	690	4,422
Nov. ...	1,452	1,819	902	4,173	550	2,833	686	4,069
Dec. ...	597	1,193	695	2,485	301	1,393	512	2,206
Jan. ...	608	1,377	665	2,650	46	1,339	478	1,863
Feb. ...	1,430	1,519	869	3,818	56	1,789	639	2,484
Mar. ...	3,705	2,217	806	6,728	1,998	1,169	601	3,768
Apr. ...	1,833	1,262	742	3,837	1,246	2,973	636	4,855
10 mo.	22,777	19,445	7,978	50,200	9,292	18,127	5,967	33,386
May	227	1,220	792	2,239	-	-	-	-
June ...	632	567	636	1,835	-	-	-	-
Total..	23,636	21,232	9,406	54,274	-	-	-	-

Compiled from official records, Bureau of Foreign and Domestic Commerce.

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ORIENTAL WHEAT CROP SOMEWHAT REDUCED BUT IMPORT PROSPECTS POOR . . . . . .

Preliminary estimates of the crops of China and Japan suggest that the total wheat production of the Orient will be somewhat reduced this year, according to information received in the Office of Foreign Agricultural Relations. Following a total crop in 1940 estimated at about 798 million bushels, imports of wheat as grain during July-April 1940-41 were on a somewhat smaller scale than in the corresponding period of last season, particularly into China, but combined with flour imports, expressed in terms of grain, total imports show a marked increase. Carry-overs at the end of the season, however, will be small because of increased consumption resulting from the rice shortage. Prospects for wheat and flour imports during 1941-42 are considered poor as a result of prohibitive freights and high prices that depress local market activity. At present, new crop wheat is also being offered considerably below the cost of imported grain.

China

Indications pointed to a 1941 wheat acreage about 9 percent larger than that of 1940 in unoccupied China and 7 percent larger in occupied areas. The crop, however, is unofficially estimated at slightly below the 1940 harvest, placed at 700 million bushels, as a result of unfavorable weather, particularly in North China; guerilla disturbances; and inadequate fertilizer supplies. Because of high rice prices, flour continues to play an important substitute role, and imports during July-April totaled 4,733,000 barrels against 2,299,000 in the corresponding period of 1939-40. About 40 percent of this season's takings originated in Australia, 33 in the United States, and 4 percent in Canada, whereas the greatest part of the flour imported during last season came from the United States. Wheat imports so far have amounted to only 3,416,000 bushels, of which Australia supplied 62 percent and the United States 26 percent. Last year, during the same months, 7,615,000 bushels were imported, of which 39 percent were of United States wheat and 61 percent of Australian.

CHINA: Imports of wheat and wheat flour, by countries of origin, July-April, 1938-39 to 1940-41

Country of origin	Wheat			Flour		
	July-April					
	1938-39	1939-40	1940-41	1938-39	1939-40	1940-41
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 barrels
United States	2,093	2,946	888	471	927	1,562
Canada	-	-	-	76	55	189
Australia ...	4,953	4,667	2,118	1,341	912	1,893
Others	a/	2	410	483	405	1,089
Total	7,046	7,615	3,416	2,371	2,299	4,733

Monthly returns of the Foreign Trade of China, and American consulate general Shanghai. a/ Less than 500 bushels.

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Japanese-owned mills have bought about 67,000 bushels of new-crop wheat at $1.16 per bushel, which is nearly 50 cents cheaper than current c.i.f. quotations of United States No. 2 Hard winter wheat at Shanghai. Japanese buyers, were not, however, able to secure their full requirements because of military control, and Chinese mills could not obtain any at such a price. Wholesale flour at Shanghai on June 16 was quoted per bag as follows: Canadian $1.57, Australian $1.67, United States $1.59, and domestic standard $1.56 per bag.

Manchuria

No estimate of the 1941 wheat crop in Manchuria has been received, but reports indicate a reduced acreage. The second official 1940 estimate was placed at about 32 million bushels, but trade estimates were about 4 million bushels lower. The Wheat Monopoly continues to withhold about 10 million bushels from the mills as a reserve and has set up a new flour-distributing system, by which Provinces, districts, cities, and villages are to receive periodic allotments from which rations will be issued to the public by means of tickets. Farmers were paid $1.51 per bushel for their wheat, it was reported, including a bonus to encourage delivery. The wholesale price of special-grade flour, excluding cost of delivery and bag, was $2.02 per bag, while first and second grades were $1.79 and $1.50 per bag, respectively. Although the objectives of Manchuria's first 5-year plan, ending this season, were not attained, plans for a second 5-year program to begin in October call for increased acreages of foodstuffs, among which were wheat, corn, millet, and rice.

Japan

Although the production of wheat in Japan this year was officially estimated by the Ministry of Agriculture at 58 million bushels, or 12.2 percent below the 1940 crop, trade reports indicate that actual returns will fall below this figure because of unfavorable weather. The official price of wheat to producers is reported to be $1.35 per bushel, with the Government bearing transportation and other expenses.

The distribution of flour in Tokyo was reduced in May and a further drop was expected in June. A number of small mills were reported to have ceased operations for lack of wheat supplies, and a new plan calls for the control of all bread sales, each family to be allowed about half a pound per week.

Around 2,735,000 bushels of Australian wheat are believed to have been imported by Japan during 1941, of which 625,000 bushels were reexported to Tientsin. It seems probable that future imports will depend upon supplies in China, the Government's decision regarding the renewal of the Manchurian flour quota, and plans for reducing domestic consumption.

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WHEAT CROP OF CANADIAN PRAIRIES BENEFITED BY RAINS . . .

Crop prospects in the Canadian Prairie Provinces were either maintained or improved by rainfall received during the week ended June 10, according to the Dominion Bureau of Statistics at Ottawa. Temperatures tended to be low, however, which retarded plant growth slightly, and wheat fields were damaged over wide areas by wireworms. Additional hatchings of grasshoppers were also reported.

Manitoba - The weather was cool with frequent showers early in the week. Seeding was practically completed, and crop growth ranged from good to excellent.

Saskatchewan - Rain was received in most districts, but moisture was needed in southwestern and east-central areas, where crops had not begun to suffer but were expected to deteriorate if warm weather set in.

Alberta - Cool, cloudy weather and light showers over most of the Province helped to keep crop prospects generally favorable, although rain was urgently needed in northern districts. Crop growth was slow, but early sown wheat was from 5 to 6 inches high in the southern and central parts of the Province.

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TUNISIAN WHEAT PROSPECTS REPORTED FAVORABLE . . .

The 1941 wheat crop of Tunisia is expected to exceed the small harvest of 1940 but to fall considerably below the large outturn of 1939, according to unofficial information received in the Office of Foreign Agricultural Relations. The acreage was provisionally placed at 1.5 million acres, from which 16.5 million bushels of wheat appeared probable about the middle of April. Durum wheat was expected to account for about 57 percent of the crop.

During 1934-1938 wheat production in Tunisia averaged 14,032,000 bushels, from which an average of about 3 million bushels was exported during the marketing years July-June 1934-35 to 1938-39, largely to France. It was estimated some months ago that exports to France would reach 2 million bushels during the current season following a small crop in 1940, unofficially placed at about 12.5 million bushels. If the present estimate of the 1941 crop materializes, the surplus available for export during July-June, 1941-42, should be materially larger than that of 1940-41.

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MOROCCO EXPECTS LARGE GRAIN CROPS THIS YEAR . . .

Although official statistics are not published by the Moroccan authorities at present, it was reported to the Office of Foreign Agricultural Relations that prospects for the 1941 wheat and barley crops indicated record outturns. The Protectorate Government encouraged grain production, it is said, for the purpose of increasing shipments to unoccupied France and was aided in this by generally favorable weather conditions, except for heavy spring rains. Harvesting is expected to begin early, but considerable concern was noted among agriculturalists regarding equipment for this purpose. A shortage of bags and binding material was reported, while fuel and oil for harvesting machines and motor transportation were said to be inadequate.

Spring plantings of corn were large, it was further reported, and crop prospects for this grain were also good. A satisfactory crop of early potatoes was obtained, practically all of which was sent to France.

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SWEDEN SUSPENDS MILLING PERCENTAGES FOR BREAD GRAINS AND OATS . . .

During the period May 1 to August 31, 1941, Swedish mills will not be required to use the mixing percentages that formerly applied to domestic wheat, rye, and oats, according to information received in the Office of Foreign Agricultural Relations. For the period March 1 to April 30, it was decreed that the mills should use 97 percent domestic and 3 percent foreign wheat, with a maximum of 20 percent foreign permitted for certain mixtures; and for rye flour 10 percent domestic rye. In the case of oats, the percentage of domestic grain was limited to millings for human consumption and was fixed for the half year October 1, 1940, to March 31, 1941, at 25 percent.

The Government's decision to suspend the milling percentages for bread grains resulted, it is said, from the fact that stocks of imported wheat and rye were low and the probability of additional imports slight. A short domestic supply of oats, on the other hand, made the suspension of the percentage requirement for that grain advisable. The production of oats has declined in recent years, and in view of present conditions it appears lilely that the acreage devoted to oats will be reduced in favor of mixed grains, bread grains, potatoes, and oilseeds.

The 1941 crop prospects of Sweden were reported on May 31 to be the poorest in years. Fall-sown rye stood the winter well, but wheat

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was somewhat damaged, and all crops suffered from lack of rain and warm weather during the spring, which was from 2 to 3 weeks late. Drought conditions were experienced during May and early June; the condition of winter wheat was placed much below average on June 1, but press reports indicate some crop improvement following recent rains and warmer weather.

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CUBA IMPORTS LARGER PERCENTAGE OF AMERICAN RICE . . . . . .

Unofficial statistics received from Habana indicate that during the first 4 months of 1941 United States rice represented 96 percent of the total Cuban imports, as compared with 52 percent during the same 4 months in 1940. Imports from the Orient, however, declined to 3 percent for the first 4 months of this year as compared with 48 percent for the same months in 1940. Smaller imports of oriental rice are attributed to several factors, the most important of which are higher freight rates, lack of shipping space, and heavy purchases from the surplus oriental countries by Japan.

CUBA: Rice imports, January-April, 1940 and 1941

Source	January-April	
	1940	1941
	1,000 pounds	1,000 pounds
United States	84,300	147,620
Orient	77,500	4,924
Egypt	728	-
Ecuador	-	1,000
Dominican Republic	-	240
Total	162,528	153,784

American consulate, Habana.

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UNITED STATES RICE EXPORTS MAINTAIN HIGH LEVEL . . .

Rice exports for the first 9 months (August-April) of the 1940-41 marketing season amounted to 298 million pounds as compared with 223 million for the corresponding period of 1939-40. During the month of April exports were nearly 50 percent above those for the same month last year. Present indications are that rice exports for the current marketing year will be the highest since 1921. Cuba continues to be the most important market, taking about 90 percent of the total exports this season. Canada is also taking a larger volume of United States rice this year on account of the difficulty of obtaining supplies from the Orient. Beginning with April, United States export data giving destinations are no longer available. Rice shipments to domestic possessions continue approximately at the high level of last season. The total for the 1940-41 marketing year is expected to exceed 300 million pounds.

UNITED STATES: Rice exports to specified countries and shipments to possessions, March 1940 and 1941, and August-March 1938-39 to 1940-41 a/

Country of destination	March		August-March		
	1940	1941	1938-39	1939-40	1940-41
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
EXPORTS					
Total Europe	3,209	b/	35,862	36,065	6,652
Latin America:					
Venezuela	225	12	227	2,149	1,083
Colombia	0	0	51	1,511	100
Mexico	3	34	1,247	194	93
Cuba	23,914	35,676	170,715	140,413	224,273
Central America c/ ...	201	762	234	437	2,059
French West Indies ...	0	0	b/	453	3,685
Other Latin America ..	72	63	4,004	621	519
Total Latin America	24,415	36,547	176,478	145,778	231,812
Canada	1,437	1,204	12,029	11,389	14,375
Other countries	166	138	247	1,502	1,362
Total exports	29,227	37,889	224,616	194,734	254,201
	April		August-April		
Total exports	28,752	44,003	251,917	223,486	298,204
SHIPMENTS					
Puerto Rico	24,217	25,869	145,260	180,498	167,397
Hawaii	7,570	12,068	51,871	50,964	55,214
Alaska	34	-	552	464	345
Virgin Islands	42	44	394	409	590
Total shipments	31,863	37,981	198,077	232,335	223,546

Compiled from official records, Bureau of Foreign and Domestic Commerce.
a/ Includes rough converted to milled rice.
b/ Less than 500 pounds.
c/ British Honduras, Costa Rica, Guatemala, Honduras, Nicaragua, Republic of Panama, Panama Canal Zone, and El Salvador.

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RICE EXPORTS FROM BURMA EXCEEDING LAST YEAR . . .

Rice exports from Burma for the first 3 months of 1941 amounted to 2,221 million pounds as compared with 1,910 million pounds for the same period last year, representing more than a 15-percent increase, according to a report received from Vice Consul Martin J. Hillenbrand at Rangoon. Foreign demand for Burman rice has been good, but lack of shipping facilities has retarded the total export movement. The greatest increase in the volume of exports during the quarter was to Japan, as the Japanese were able to furnish ships to move their purchases. By the end of April it was reported that Japan had bought 900 million pounds, of which 670 million had already been shipped. Exports to India during the first quarter were less than last season. Indian buyers have been holding off because of high prices but, on account of the short crop in India, will probably be forced to buy larger quantities in the near future at a higher price level.

Stocks of rice at Rangoon and in the interior were plentiful at the end of March. Some brokers were reported holding their supplies up country anticipating higher prices. Burma has an enormous supply available for export this year as the result of a record 1940-41 crop. Exports, including paddy, for the calendar year 1940 amounted to 6,500 million pounds and it is estimated that this year's shipments abroad may exceed 7,600 million pounds.

BURMA: Rice exports for 1939 and 1940, and January-March, 1940 and 1941 a/

Country of destination	1939	1940	January-March	
			1940	1941
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
India	4,584,178	3,031,237	1,076,739	944,988
Japan	17,389	1,010,155	269,044	502,006
Ceylon	816,155	778,821	241,606	270,144
Straits Settlements	306,047	310,121	57,378	62,088
Federated Malay States	151,713	166,974	32,673	38,582
United Kingdom	133,925	150,443	35,195	100,560
China	15,781	116,498	57,891	190,684
Hong Kong	15,579	61,681	24,111	136,062
Others	1,302,540	309,064	115,575	75,452
Total	7,343,307	5,934,994	1,910,212	2,220,566

American consulate, Rangoon.

a/ Excludes paddy.

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THAILAND RICE-ACREAGE INCREASE EXPECTED . . .

The rice acreage in Thailand this year is expected to represent an increase over the 1940 area when approximately 7,157,000 acres were under cultivation. Higher prices are expected to stimulate an expansion in acreage, and, also, further progress is being made in irrigation projects in several districts. The existing irrigation facilities are, however, entirely inadequate to cope with the severe drought such as that which developed in 1940.

Prices for rice in Thailand moved steadily upward during March, advancing to a new high level for 1941. The short supply, the result of the smaller 1940 harvest, and the continued strong export demand were the principal factors causing the higher prices. No official estimate has been received for the 1940 crop. Trade sources, however, have indicated that production may have been around 150 million bushels compared with 225 million for the previous year. The export surplus for 1941 has been estimated at 2,000 million to 2,750 million pounds as compared with 3,600 million pounds for 1940. The export demand this year has been strong from Japan, Singapore, and Hong Kong.

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GRAIN STATISTICS . . .

WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries, as given by current trade sources, 1938-39 to 1940-41

Country	Total shipments		Shipments 1941 week ended			Shipments July 1-June 14	
	1938-39	1939-40	May 31	June 7	June 14	1939-40	1940-41
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America a/ ...	245,296	209,872	5,785	4,989	5,231	205,056	209,873
Argentina	114,272	173,776	2,902	2,266	1,180	164,600	94,092
Australia	102,116	b/	-	-	-	-	-
Soviet Union	39,824	-	-	-	-	-	-
Danube & Bulgaria c/	52,848	39,616	-	-	-	-	-
British India a/ ...	d/10,097	-	-	-	-	-	-
Total above	564,453	-	-	-	-	e/ 369,656	e/ 303,965
Total European a/...	450,784						
Total ex-European a/	146,760						

Compiled from official and trade sources.

a/ Broomhall's Corn Trade News.

b/ Not available.

c/ Black Sea shipments only; no figures for current weeks.

d/ Official.

e/ North America and Argentina only.

GRAINS: Weekly average closing price per bushel, future delivery, at leading markets, 1940-1941

Week ended	Wheat						Corn			
	Chicago		Winnipeg		Buenos Aires		Chicago		Buenos Aires	
	1940	1941	1940	1941	1940	1941	1940	1941	1940	1941 a/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High b/	109	102	84	71	c/ 80	d/ 56	67	74	c/ 35	26
Low b/	81	88	66	70	c/ 67	d/ 55	62	68	c/ 31	27
	July									
May 17	90	97	69	70	67	e/ 56	62	73	33	26
24	83	99	66	70	68	e/ 56	63	74	32	26
31	83	96	68	70	69	f/ 56	62	74	32	26
June 7	81	98	68	70	71	f/ 55	63	74	32	27
14	81	102	67	70	69	f/ 55	62	73	32	27

Corn prices at Buenos Aires compiled from New York Journal of Commerce; all other prices from Chicago Daily Trade Bulletin. a/ Official price. b/ April 5 to June 14, 1941 and corresponding dates for 1940. c/ June and July futures. d/ July and September futures. e/ August futures. f/ September futures.

FEED GRAINS: Movement from principal exporting countries, June 14, 1941

Commodity and country	Yearly exports		Shipments week ended a/			Exports so far reported		
	1938-39	1939-40	May 31	June 7	June 14	July 1 to	1939-40 b/	1940-41 b/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels
BARLEY, EXPORTS: c/								
United States....	11,215	3,532	-	-	-	Apr. 30	3,457	581
Canada	16,537	13,338	-	-	-	Mar. 31	12,911	1,268
Argentina	9,356	18,628	-	-	-	Apr. 26	16,821	4,229
Danube & U.S.S.R.	26,005	4,297	0	0	0	June 14	4,147	1,000
Total	63,113	39,795					37,336	7,078
OATS, EXPORTS: c/								
United States....	5,106	1,429	-	-	-	Apr. 30	1,231	1,019
Canada	13,738	24,330	-	-	-	Mar. 31	17,220	10,507
Argentina	19,379	27,624	0	7	0	June 14	27,864	3,909
Danube & U.S.S.R.	30	250	0	0	0	June 14	70	0
Total	38,253	53,633					46,385	15,435
CORN, EXPORTS: d/						Oct. 1 to		
United States....	34,369	44,284	-	-	-	Apr. 30	26,454	8,125
Danube & U.S.S.R.	19,629	5,304	0	0	0	June 14	4,729	0
Argentina	142,869	87,766	20	4	0	June 14	84,829	19,385
South Africa	25,991	15,499	0	0	0	June 14	14,745	0
Total	222,858	152,853					130,757	27,510
CORN, IMPORTS:								
United States....	442	1,110				Apr. 30	320	997

Compiled from official and trade sources. a/ The weeks shown in these columns are nearest to the date shown. b/ Preliminary. c/ Year beginning July 1. d/ Year beginning October 1.

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VEGETABLE OILS AND OILSEEDS

CHINESE TUNG ACREAGE INCREASED . . .

Recent information indicates that there has been considerable expansion in the planting of tung trees in China, and it is expected that within a short time the production of tung oil will be substantially above recent years. The Chinese Government has for several years been encouraging an increase in tung acreage. A further stimulus was given this movement when arrangements were made with the United States to repay in tung oil the $25,000,000 loan made in 1938. No statistical data are available to indicate the size of the tung-tree acreage or the volume of tung-oil production. The production is large, as export data reveal that the 10-year average shipments abroad during 1928-1937 amounted to 156 million pounds annually, and, in addition, domestic consumption probably equaled another 100 million pounds.

CHINA: Tung-oil exports, averages, 1911 to 1935 and annual, 1936 to 1940

Year	United States	Others	Total
	1,000 pounds	1,000 pounds	1,000 pounds
AVERAGE			
1911-1915 a/	29,361	18,522	47,883
1916-1920	45,774	22,479	68,253
1921-1925	73,766	27,355	101,121
1926-1930	92,313	40,502	132,815
1931-1935	91,106	47,973	139,079
ANNUAL			
1936	137,317	53,905	191,222
1937	141,343	85,683	227,026
1938 b/	12,538	140,851	153,389
1939 b/	1,538	72,320	73,858
1940 b/	9,215	42,035	51,250

Chinese Maritime Customs Returns.
a/ 4 years 1912-1915. b/ Tung oil was exported largely to Hong Kong, where it was reexported to the United States and other destinations.

Total Chinese tung-oil production within a few years should be substantially larger than it has been during the past decade. The National Chinese Government spent $60,000 in 1940 to improve the tung industry. Several provincial governments have been systematically encouraging an increase in the acreage of tung trees dueing the past 7 or 8 years. The Governments of Kwangtung and Kiangsi were among the Provinces first to advocate and also to actually participate in the planting of tung trees. For several decades tung trees have been growing in all Provinces south of the Yangtze River and in West China. Chekiang Province is reported to have started a 3-year program in 1940 to increase the area by 35,000 acres. Szechwan Province began a 10-year program in 1941 to expand the acreage so that tung-oil production would be increased from the present volume of approximately 90 million pounds to over 200 million pounds. Most of the other provincial authorities south of the Yangtze River are also at work to increase production.

Until recently, the cultivation of tung trees in China has been haphazard. In most parts of the country the tree grows on hillsides and in mountainous areas. With more careful attention it can be expected that the volume of tung oil available for export may be much greater. The amount that will be exported will naturally depend upon reestablishment of normal peacetime conditions and available transportation facilities.

The cost of producing tung nuts in China is very low. Trees are located on nontillable land of relatively low valuation. They receive very little care, no fertilizers are used, and the farmer gathers the nuts during his spare time.

For many years Chinese tung oil was known for its poor quality and adulteration with other oils. Most of the Chinese tung oil is extracted in rural areas by primitive methods, although hydraulic presses are located in a few of the tung-nut centers. After grinding the nuts, the common practice is to put the meal in a hollowed-out log, and, by applying pressure with wedges on a movable partition, the oil is squeezed out. A second pressing is generally made, from which a low-grade oil is obtained, and it is usually added to the first extraction.

The Chinese Government has for several years been concerned about the quality of exported tung oil, and, realizing the consequences of the loss of their tea and silk export trade, set up a Testing and Inspection Bureau in 1929, one of the principal functions of which was to examine tung oil destined for export. Some success has evidently been obtained by the Testing Bureau as measured by fewer complaints from American importers.

While the tung tree is indigenous to China, several countries are now growing it, although the production in most of them is very small or the growing of the tree is still in the experimental stage. Outside of China, the United States probably has the largest acreage and production. Several South American countries are growing tung trees, with the most extensive planting in Brazil. Argentina, Paraguay, and Peru are also known to have been experimenting with the growing of tung trees for a number of years and have small acreages. In the Far East, Australia and New Zealand are reported to have a few thousand acres and a number of plantings have also been made in Malaya, Thailand, Indochina, and the Netherlands Indies.

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PERUVIAN COTTONSEED ESTIMATE LARGER FOR 1940 . . . . . .

The Peruvian Government has not released final figures for the 1940 cottonseed production; however, information obtained from reliable sources places the outturn at 155,000 short tons compared with 149,000 tons in 1939, according to information received in the Office of Foreign Agricultural Relations. Exports of seed in 1940, amounting to 29,800 tons, compared favorably with 1939 and 1938, when 30,900 and 34,600 tons, respectively, were exported. Detailed information for 1940 is not available at this time, but it is probable that the bulk of the shipments went to Chile and Central American countries. Prior to the outbreak of the European war, the United Kingdom also purchased small quantities of seed.

PERU: Cottonseed production, 1920-1940

Year	Production	Year	Production
	Short tons		Short tons
1920	74,574	1931	99,791
1921	92,786	1932	100,589
1922	82,627	1933	111,663
1923	85,995	1934	141,826
1924	86,351	1935	160,585
1925	78,295	1936	156,284
1926	96,081	1937	143,942
1927	104,364	1938	155,848
1928	90,344	1939	148,810
1929	114,988	1940 a/	154,322
1930	103,782	1941	b/

Compiled from official sources.
a/ Preliminary. The final estimate is not issued until August or September of the following year. b/ No estimate available.

Cottonseed-cake exports during the past few years, averaging about 45,000 short tons, went to European countries, chiefly Denmark and Germany. It is reported that shipments dropped to less than 20,000 tons in 1940. Confronted with the loss of European markets, Peruvian producers of cottonseed cake were compelled to find new outlets and, therefore, imported grinding machines for making meal. It is estimated that the present output of the six leading mills will average around 33,000 tons of cottonseed meal per year. The bulk of the meal is used locally as a fertilizer when mixed with guano. Oil produced from cottonseed crushed in Peru during the past 2 years has averaged around 19,000 tons. Approximately 60 percent is used in the manufacture of lard substitute and soap. The remaining 40 percent is exported.

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PERU: Exports of cottonseed and products, 1936-1940

Year	Cottonseed	Cottonseed oil	Cottonseed cake
	Short tons	Short tons	Short tons
1936	35,403	227	49,339
1937	47,250	340	50,483
1938	34,657	14	46,071
1939	30,727	179	46,092
1940 a/	29,595	115	20,040

Compiled from official sources. a/ Preliminary.

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BELGIAN CONGO
EXPECTS NORMAL EXPORTS
OF PALM OIL in 1941 . . .

Total production of palm kernels and palm oil in the Belgian Congo is not known, as large quantities are absorbed locally in the manufacture of soap and other industries not recorded in official statistics. Both types of oil are used by the natives in the preparation of food.

In 1939 the area planted to cultivated palms was estimated at 80,000 acres, and production of palm kernels at 48,000 short tons. This represents only a small percentage of the total crop, as exports alone amounted to 86,000 tons. Official export figures for 1940 have not been released but are expected to show a decline, as Belgium and the Netherlands were the two important markets.

Production of palm oil, as in the case of palm kernels, is much less than the recorded exports. In 1939, which was considered a normal year for palm oil, 30,000 short tons were produced from cultivated trees, and exports totaled 71,000 tons. Official figures for 1940 shipments are not available; however, they will undoubtedly be considerably below the previous year due to the application of export quotas made necessary by the international situation. All restrictions on the production of exportable grades of oil have been recently removed, and 1941 should approach the 1939 total, but with a great improvement in quality. The principal market for edible oil at the present time is the United Kingdom, following commercial agreements between that country and the Belgian Congo.

Some peanuts are produced in the Belgian Congo, principally for native consumption. In former years small quantities entered the export trade, going chiefly to Belgium.

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COTTON - OTHER FIBERS

EGYPT'S COTTON EXPORTS CONTINUE ON LOW LEVEL . . .

Exports of cotton from Egypt during the 10 months, August-May 1940-41, amounted to only 556,000 bales (of 478 pounds equivalent) against 1,577,000 bales for a similar period in 1939-40, according to information received in the Office of Foreign Agricultural Relations. Loss of European markets and shortage of shipping facilities to other destinations were the chief causes of the decline.

EGYPT: Exports of cotton, by countries,
1936-37 to 1939-40

Country to which exported	August-July			
	1936-37	1937-38	1938-39	1939-40
	1,000 bales	1,000 bales	1,000 bales	1,000 bales
United Kingdom..................	612	575	558	635
France..........................	210	235	196	313
Germany a/......................	139	232	221	12
Italy...........................	115	120	111	97
Czechoslovakia..................	77	62	44	1
Switzerland.....................	75	78	80	68
Rumania.........................	37	67	52	35
Poland and Danzig...............	33	43	45	3
Belgium-Luxemburg...............	24	18	19	14
Spain...........................	0	1	18	10
Japan...........................	208	89	157	143
British India...................	90	132	86	118
China...........................	25	6	28	38
United States...................	61	38	39	58
Other countries.................	119	93	107	91
Total...........................	1,825	1,789	1,761	1,636

Compiled from the Monthly Summary of the Foreign Trade of Egypt. Bale figures throughout are in terms of American statistical equivalents of 478 pounds net; not in terms of actual Egyptian packages the weight of which approximates 740 pounds net.
a/ Beginning January 1, 1938, includes Austria.

Purchases made by the Cotton Buying Commission of the British Government at Alexandria amounted to about 1,100,000 bales by the end of March 1941, out of the total 1940-41 crop of 1,900,000 bales (final estimate). Under the Anglo-Egyptian agreement, announced last August, the Commission was authorized to purchase on a fixed-price schedule all

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Egyptian cotton from the 1940-41 crop, offered before April 30, 1941. Approximately 323,000 bales of cotton from the 1939-40 crop in stock on August 31, 1940, were not included in the arrangement.

Negotiations for disposal of the 1941-42 cotton crop were suspended in March until further notice. It is a general belief that Great Britain will buy the new crop at slightly lower prices than those paid for the 1940-41 crop, if the Egyptian Government will agree to a drastic reduction in the 1942-43 acreage and meet certain political considerations. Legislation was enacted on February 22, 1941, which is expected to effect a reduction of about 100,000 bales in the 1941-42 crop by prohibiting the planting of cotton on land planted to certain food crops last winter.

Some of the cotton acquired by the Commission has already been resold in neutral countries not subject to British blockade restrictions. Purchases from the Commission must be made through recognized cotton merchants at Alexandria or through agents of the Commission in foreign markets. For a schedule of prices offered to Egyptian growers by the British Commission, see Foreign Crops and Markets for April 14, 1941.

Domestic consumption from September 1, 1940, to March 26, 1941, amounted to 77,000 bales compared with 84,000 bales for a similar period in 1939-40. Total stocks in Egypt on March 31, 1941, were estimated by a local cotton firm at 1,871,000 bales against 858,000 bales a year before.

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BRAZIL INCREASES COTTON LOAN RATE . . .

The Brazilian Government's loan rate for Sao Paulo type 5 cotton of 28 millimeters (1-3/32 inches) staple length was increased on June 6 to 45 milreis per arroba (7.29 cents per pound [1]) according to information received in the Office of Foreign Agricultural Relations. The former rate for this grade of cotton was 80 percent of 45 milreis or 5.83 cents. A rate of 40 milreis (6.48 cents) was established for type 5 cotton of 26 to 28 millimeters (about 1 to 1-3/32 inches) staple length from the Northern Brazil areas. The cost of handling and preparing cotton for export usually amounts to about 5 milreis per arroba (0.81 cent per pound). Exporters are required to deliver to the Bank of Brazil at the official rate, 30 percent of the exchange acquired from export sales, while the remaining 70 percent may be sold at the higher free-market rate.

Sao Paulo type 5 cotton was quoted at about 41 milreis per arroba (6.64 cents per pound) on May 31 and rose to 42.5 milreis (6.89 cents) by

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[1] Converted at a composite rate of exchange based on 30 percent of the current official rate and 70 percent of the free-market rate.

June 14 following the announcement of the new loan rate on June 6. Prices of Sertao remained at 36 milreis (5.83 cents) while those for Matta rose slightly to 35 milreis (5.67 cents).

Brazil's cotton exports during the 10 months ended May 31, 1941, amounted to about 1,059,000 bales (of 478 pounds) against only 772,000 for the corresponding period in 1939-40, with 214,000 bales of the latter figure being recorded in August 1939. From the outbreak of war in Europe until December 1940, the export movement was abnormally low. Shipments to Canada, China, and Japan have increased in 1941, while those to the United Kingdom and others have remained low. About 160,000 of the 313,000 bales exported during April and May 1941 were destined for Canada. Japan and China each accounted for 52,000 bales. Although the export movement is much larger than a year ago, some apprehension is felt because of the unusually large surplus expected from the record 1940-41 crop in Southern Brazil picked from March through June 1941. Disposal of the Northern Brazil crop (beginning in August) may be much more difficult because of the large supply in Sao Paulo, inadequate shipping service from northern ports, lack of uniformity in the quality of the northern crop, and limited export demand for all cotton.

BRAZIL: Exports of cotton, by countries, August-July, 1936-37 to 1939-40, August-May, 1939-40, 1940-41
(In bales of 478 pounds net)

Country of destination	August-July				August-May	
	1936-37	1937-38	1938-39	1939-40	1939-40	1940-41
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Japan	245	204	406	219	153	295
United Kingdom	273	203	229	295	245	108
Germany	297	508	338	70	70	0
France	60	88	177	56	55	0
Italy	52	15	76	27	27	0
Netherlands	30	21	48	38	38	0
Poland	23	23	31	1	1	0
Portugal	24	30	14	52	41	7
Belgium-Luxemburg	33	27	32	22	22	0
China	17	11	214	158	109	170
United States	15	a/	5	11	2	b/ 154
Spain	0	0	11	3	3	76
Canada	0	0	1	20	1	170
Sweden	7	4	13	2	2	26
Other countries	5	13	14	7	3	53
Total	1,081	1,147	1,609	981	772	1,059

Compiled from Service de Estadistica Economica e Financeira do Tesuro Nacional. a/ Less than 500 bales.
b/ Practically all for transshipment to Canada. Imports of Brazilian cotton into the United States are limited by quota (since September 20, 1939) to 1,300 bales annually.

The 1940-41 cotton crop of Southern Brazil has been estimated unofficially at about 1,800,000 bales compared with 1,511,000 bales in 1939-40. The State of Sao Paulo accounted for most of the increase, as production rose from 1,418,000 bales in 1939-40 to an estimated 1,700,000 bales in 1940-41. Adding the second official estimate of 677,000 bales for Northern Brazil, a total 1940-41 crop of 2,400,000 to 2,500,000 bales is indicated for all Brazil against 2,141,000 in 1939-40 (final estimate).

Up to May 15, about 452,000 bales of the current Sao Paulo crop had been officially classed, compared with 352,000 on the same date in 1940. Results of the classification up to that time indicate that the quality of the 1940-41 crop is somewhat below that of last year. In this connection, it is believed that farmers exercised less care in picking their cotton because of the prevailing low prices. Excessive rain at the end of March followed by hot weather caused some bolls to open prematurely, making neps in the lint. The quality of the cotton that opened later under more favorable weather conditions is believed to have been better.

The 1940-41 cotton crop in Northern Brazil is estimated unofficially at about 577,000 bales. The second official estimate released on December 31, 1940, indicated a crop of 677,000 bales. The lower estimate is based in part on information that considerable quantities of cotton (mostly low grade) in remote districts, where transportation is expensive, were left unpicked because of low prices offered for cotton.

The 1941-42 crop of Sertao (tree cotton) in Northern Brazil is expected to about equal last year's, because it is perennial and acreage does not vary with changes in market conditions each year. The Matta crop (annual varieties), however, is expected to be smaller this year because of low prices and inadequate rainfall at planting time (January-June).

Comprehensive data on Brazilian cotton stocks for the country as a whole are not available. Stocks of cotton in the State of Sao Paulo at the end of the last crop year (February 28, 1941) amounted to 232,650 bales, 28,100 of which had been sold for export and 33,300 bales were held in mill stocks, leaving a free stock of about 171,250 bales. Stocks of cotton in Northern Brazil at that date were believed to total roughly 140,000 bales.

Domestic mill consumption does not vary greatly from year to year and, according to trade sources, ranges between 550,000 and 575,000 bales annually. Mills in Northern Brazil consume approximately 115,000 bales each year. Brazil's cotton-textile requirements, except for certain specialties and high-quality materials, are met by domestic mill output. Textile exports to other South American countries, although still small, are increasing rapidly.

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TOBACCO

SUMATRA REDUCES TOBACCO AREA BY ONE-FOURTH . . .

As previously arranged, the 1941 tobacco area of Sumatra has been reduced by approximately 25 percent, as compared with the crop of 1940 when 29,320 acres were set, according to information available in the Office of Foreign Agricultural Relations. The reduction in planting results from the loss of European markets through war. Plantings were begun in January, and the important growing season falls within the months of April and May, when adequate rainfall and sunshine are necessary to assure a good crop.

Although the area devoted to tobacco growing comprises a relatively small space within a radius of 30 miles from Medan, weather conditions vary considerably. During April about half of the tobacco fields were said to have suffered from lack of rainfall, while in the districts situated to the north and northwest of Medan the weather was good with sufficient rain. Production for the current year is expected to be between 18 and 20 million pounds.

By May 1, 1941, a major portion of the 1940 crop scheduled to be exported to the United States had already been sent. Shipments at that time had amounted to over 7 million pounds, with approximately 2 million still waiting to be sent. About 2.5 million pounds of the total shipments represented the so-called American types (foot-leaves a good quality). The remainder consisted of high-grade sand leaf, a portion of which is sold to American markets other than the United States, but these grades will be stored until arrangements can be made for their disposal.

Auctions were held in New York on May 2, 9, and 23, and June 13 and 20. The last one is scheduled for July 3.

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SWITZERLAND INCREASES THE DOMESTIC SUPPLY OF LEAF TOBACCO [1] . . .

Regardless of the urgent need for food, plans have been made to increase the tobacco crop of Switzerland this year. Preliminary forecasts made early in May place the 1941 crop at over 3.5 million pounds, compared with an average production of about 2.8 million pounds during the past 3 years. Should this harvest be realized, it will be the largest on record and will supply about 19 percent of the average annual leaf consumption in Swiss factories, whereas the domestic crop during the period 1938-1940 supplied only 14 percent.

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[1] Prepared by Louise Moore Coleman, Assistant Agricultural Economist.

SWITZERLAND: Area and production of tobacco, 1931-1940

Year of harvest	Area	Production	Year of harvest	Area	Production
	Acres	1,000 pounds		Acres	1,000 pounds
1930.....	741	1,323	1936.....	852	1,102
1931.....	618	882	1937.....	1,453	2,381
1932.....	1,090	1,698	1938.....	1,814	2,844
1933.....	1,547	2,447	1939.....	1,878	3,016
1934.....	1,794	3,329	1940.....	a/	b/ 2,734
1935.....	1,280	2,028	1941.....	a/	b/ 3,880

Statistiches Jahrbuch der Schweiz, and reports of American consulates.
a/ Not available.
b/ Estimate.

The Swiss tobacco industry is primarily dependent upon imported leaf - principally upon American Leaf. For many years the basic content of Swiss tobacco products has been United States fire-cured and Maryland types. It is possible that in time changes may take place as to the types used. A shift in consumer preference from dark to light tobacco has already made some inroads on the consumption of fire-cured. Shipping hazards and other deterring factors arising from the war in Europe may give rise to substitute sources of raw material, but it is not likely that the Swiss tobacco industry will ever become independent of imported leaf. The scarcity of arable land combined with a constant demand for food crops, will keep the tobacco production of Switzerland below domestic requirements. Moreover, adverse conditions arising from soil, climate, and topography limit the successful duplication of foreign types within the country.

On the other hand, the Swiss Government has offered considerable encouragement toward the domestic production of tobacco. Careful research and experimentation directed toward improvement of the quality have been reported successful. It was estimated before the war that the cigarette industry of Switzerland consumed about 40 percent of the entire domestic crop, the pipe-tobacco industry 50 percent, and the cigar industry 10 percent. Upon this basis a flexible program was set up. Recommendations were made to growers for the production of varieties best adapted to their individual soil regions and for an output proportionate to the requirements of the several branches of the industry.

The real foundation for crop expansion, however, was laid in 1936, when an excise-tax preference was allowed on all domestic leaf tobacco used in cigarettes to the extent of more than 50 percent of the mixture. A greater spread between the prices of domestic and imported leaf was thus created, and manufacturers used larger quantities of domestic tobacco in the cheaper cigarettes. After the mobilization of the Swiss Army came a shift in consumer demand to cheaper cigarettes. One result of this combination of factors has been an almost constant increase in production every year since the tax preference became effective.

Before the war (1937-1939) the tobacco factories of Switzerland consumed approximately 18.5 million pounds of leaf tobacco annually, one-third of which was imported from the United States. Transportation difficulties incident to the war, however, have brought about a definite shortage in the supply of foreign leaf, and especially of United States tobacco. Exports from the United States to Switzerland in 1940 amounted to approximately 8 million pounds, whereas shipments that have gone forward during the first 4 months of the current year are far less than normal.

Owing to shortage of leaf, manufacturers have been forced to limit their output of popular tobacco products. Production of one of the leading cigarette brands has been reduced to about half of normal, and the output of Stumpen and Brissago (two types of low-priced cigars) has also been curtailed. Prices of American cigarettes have been increased, apparently without affecting the demand. At one time during the current year there was only one brand of American cigarettes on the market because of the difficulties incident to their importation.

SWITZERLAND: Imports of leaf tobacco, by principal countries, 1930-1939

Calendar year	Country of origin							Total
	United States	Netherland Indies	Brazil	Greece, Turkey, Bulgaria	Italy	Hungary	Other countries	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1930......	7,904	2,225	1,688	1,608	200	505	2,443	16,573
1931......	7,632	2,269	1,926	1,721	204	442	2,498	16,692
1932......	6,838	2,284	2,292	1,643	282	374	2,384	16,097
1933......	7,458	2,683	2,716	1,628	422	317	2,629	17,853
1934......	6,594	2,274	2,117	1,426	378	200	2,147	15,136
1935......	6,441	2,417	2,285	1,724	469	249	2,271	15,856
1936......	5,919	2,485	2,337	1,635	360	262	2,073	15,071
1937......	6,224	2,714	2,749	1,777	609	270	1,961	16,304
1938......	5,830	2,343	2,558	1,758	890	289	1,556	15,224
1939......	6,458	2,297	2,498	1,667	1,111	240	1,438	15,709

Compiled from official sources.

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FRUITS, VEGETABLES, AND NUTS

CANADIAN POTATO CROP HEAVY IN 1940; LOWER ACREAGE INDICATED THIS YEAR . . .

The 1940 potato production in Canada is now estimated at 70,500,000 bushels or about 16 percent above that of the previous year, according to a recent issue of the Canadian Fruit and Vegetable Weekly Crop and Market Report. The heavier crop was due to higher average yields per acre and to an expansion in acreage planted. For the country as a whole, the yield averaged 129 bushels per acre compared with an average of 117 bushels for 1939. Total acreage for 1940 amounted to 545,000 acres, or an increase of 5 percent above acreage for the previous year.

Intended acreage for 1941 has been preliminarily estimated at 527,300 acres, or about 3 percent less than plantings in 1940, according to a report of the Canadian Department of Agriculture. This estimate is based on farmers' intentions to plant as of April 30. The only expansion expected is in Manitoba, where an increase of 6 percent to 36,400 acres is seen. Acreage in the other western Provinces is expected to be unchanged. Declines are being foreseen in all the central and eastern Provinces, ranging from a decline of 2 percent in Quebec to 15 percent in Prince Edward Island.

CANADA: Acreage of potatoes planted in 1940 and intended acreage as of April 30 for 1941

Province	Acreage 1940	1941 as percentage of 1940 acreage	Intended acreage 1941
	1,000 acres	Percent	1,000 acres
Prince Edward Island...	42.4	85	36.0
Nova Scotia	22.9	97	22.2
New Brunswick	54.3	93	50.5
Quebec	149.8	98	146.8
Ontario	146.8	96	140.9
Manitoba	34.3	106	36.4
Saskatchewan	49.0	100	49.0
Alberta	25.5	100	25.5
British Columbia	20.0	100	20.0
Total Canada	545.0	97	527.3

Fruit and Vegetable Weekly Crop and Market Report, Ottawa.

The major potato-producing Provinces in Canada are Ontario and Quebec, which in 1940 provided 47 percent of the total crop. The three Maritime Provinces accounted for 33 percent and the four western Provinces for the remainder. The Maritime Provinces are the major producers of certified seed potatoes in Canada. The 1940 crops in all Provinces except Ontario and Manitoba exceeded those of the previous year. The only decline in acreage planted was reported in Manitoba.

CANADA: Acreage and production of potatoes by Provinces, 1937-1940

Province	1937	1938	1939	1940 a/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
ACREAGE				
Prince Edward Island	36	34	37	42
Nova Scotia	22	21	21	23
New Brunswick	50	51	51	54
Quebec	143	140	138	150
Ontario	150	146	142	147
Manitoba	31	32	36	34
Saskatchewan	49	51	48	49
Alberta	31	28	26	26
British Columbia	19	19	19	20
Total Canada	531	522	518	545
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
PRODUCTION				
Prince Edward Island	5,785	6,403	7,400	7,632
Nova Scotia	3,142	2,543	3,388	3,855
New Brunswick	9,622	6,787	8,398	11,493
Quebec	20,763	16,595	17,896	21,876
Ontario	16,817	12,427	12,078	11,255
Manitoba	4,135	3,190	3,360	2,973
Saskatchewan	2,187	5,482	2,868	4,246
Alberta	4,650	3,478	2,032	3,103
British Columbia	3,812	2,992	3,230	4,067
Total Canada	70,913	59,897	60,650	70,500

Fruit and Vegetable Weekly Crop and Market Report, Ottawa. a/ Preliminary.

Canadian production of certified seed potatoes is placed at 5,451,000 bushels, an increase of about 17 percent above the crop of the previous year. The acreage entered for certification in 1940 reached a high of 48,111 acres, or about 20 percent above that for the preceding year, but the acreage actually certified amounted to 34,094 acres, or an increase of only 8 percent. Almost 85 percent of the acreage passing inspection for certified seed in 1940 was in Prince Edward Island and New Brunswick.

Green Mountain was the leading variety, accounting for 12,994 acres of the certified acreage, with New Brunswick providing 6,980 and Prince Edward Island providing 4,925 acres. The second leading variety, Irish Cobbler, amounted to 12,100 acres, with the bulk of certified acreage located in Prince Edward Island. About 5,215 acres were in Katahdin, the third leading variety, with New Brunswick providing the bulk of the total. These three varieties accounted for 89 percent of the total certified acreage.

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CANADA: Production of certified seed potatoes in the Maritime Provinces by varieties, average 1928-1937, annual 1936-1939

Variety	Average 1928-1937	1936	1937	1938	1939 a/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Green Mountain	1,769	1,174	2,376	2,062	2,496
Irish Cobbler	2,248	1,573	1,394	1,535	2,028
Spaulding Rose	b/ 40	c/	34	33	5
Katahdin	-	-	107	108	391
Chippewa	-	-	13	3	7
Other varieties	346	635	749	516	482
Total	d/4,407	3,382	4,673	4,257	5,409

Agricultural Statistics, 1940. a/ Preliminary. b/ 8-year average. c/ Less than 500 bushels. d/ Does not total since some of the above are not for 10-year periods.

There is a two-way trade in potatoes between the United States and Canada. United States exports to Canada consist largely of table stock, while American imports are chiefly of seed potatoes. The seed stock imported is used principally in our southern States. In 1940 United States imports of seed potatoes amounted to 843,154 bushels or slightly less than the average for the 5 years, 1936-1940. Imports of table stock, on the other hand, totaled 408,342 bushels or about 48 percent above the 5-year average volume. United States exports to Canada during 1940 amounted to 973,734 bushels, which was nearly five times more than the average movement for the 5 years, 1933-1937.

UNITED STATES: Imports of seed potatoes from Canada by months, average 1936-1940, annual 1938-1941

Month	Average 1936-1940	1938	1939	1940	1941
	Bushels	Bushels	Bushels	Bushels	Bushels
January	14,032	6,558	16,673	18,001	40,685
February	27,188	9,619	7,506	101,847	42,821
March	351,118	356,396	546,285	296,262	238,732
April	110,736	61,706	105,799	116,557	131,200
May	37,311	27,713	8,918	52,903	-
June	10,349	1,856	526	29,573	-
July	155	0	0	0	-
August	625	0	0	800	-
September	14,795	2,633	3,583	33,832	-
October	56,902	111,827	53,133	3,186	-
November	217,782	107,460	483,152	175,264	-
December	36,448	41,136	75,980	14,929	-
Total	877,441	726,904	1,301,555	843,154	-

Compiled from official records, Bureau of Foreign and Domestic Commerce.

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LIVESTOCK AND ANIMAL PRODUCTS

CONTINENTAL EUROPE FACES GROWING SHORTAGE OF DAIRY PRODUCTS [1] . . .

Indications are that a shortage of dairy products in the winter of 1941-42 will be felt in most of continental Europe, [2] as a result of the cumulative effects of the scarcity of feed and feed concentrates entailing some forced liquidation of milk cows in the countries under German control. There will be some seasonal improvement in the supply of milk and butter during the summer months throughout most of Europe, although in the Scandinavian countries, Denmark especially, it has been retarded by a late spring.

The dairy situations in the two import European importing countries, the United Kingdom and Germany, were widely different in the winter of 1940-41, with Germany being in the more favorable position. The cutting off of the United Kingdom from nearby continental sources of dairy-product imports required considerable readjustment in that country, with increased dependence on Empire sources. Germany, on the contrary, was able to utilize practically all surplus continental European dairy supplies by demands on exporting countries under German control. The situation in 1941-42, especially the winter months, is likely to be somewhat reversed. Supplies of dairy products in Denmark and the Netherlands, upon which Germany is dependent for imports, will be reduced, with probably some reduction in Germany itself, whereas supplies in British Empire countries and the United States will be expanding to furnish British requirements.

Continental European countries normally deficient or about self-sufficient in dairy products are now obliged to exist on much reduced rations. Requisitions and some forced slaughter of dairy cows as a result of lack of feed have already made inroads on the dairy herds. Necessary readjustments are being made in most European countries in view of a further reduction in milk supplies in the winter of 1941-42 by controlling the consumption of cream and milk and by diverting a larger percentage to the cheese and processed-milk industries.

United Kingdom

The situation in the United Kingdom, where there was a severe milk shortage last winter, will be improved next winter, provided shipping lanes are maintained, as the result of expansion in the British Empire countries and in the United States for the purpose of furnishing increased supplies of dairy products to Great Britain.

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[1] Prepared by Esther H. Johnson, Junior Agricultural Economist.
[2] Prospects in non-European exporting countries were published in Foreign Crops and Markets, June 16, 1941.

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Contracts have been made with British Empire countries for the delivery of specified quantities of butter and increased supplies of cheese and processed-milk products. Australia and New Zealand are under contract to supply both butter and cheese, especially cheese, in substantially larger quantities. Canada is under contract to supply cheese and processed-milk only, and the United States is taking steps to increase production in order to meet any additional requirements of the United Kingdom for these products.

Production of cheese in the United Kingdom has been severely restricted for the purpose of conserving milk supplies, and milk consumption has been somewhat restricted. Butter has been rationed, the ration varying from time to time, depending on seasonal variations in production and availability of Empire supplies. In 1941-42 the situation will probably improve as readjustments are made at home and larger supplies from overseas materialize.

Milk-cow numbers have been well maintained owing to the fact that dairy farmers have enjoyed priority in the distribution of feedstuffs. In 1914-1918 numbers decreased 2 percent in the first year, and 4 percent by 1917, before the entry of the United States into the war. By June 1918 numbers had increased 1 percent above 1917.

In February of this year the Ministry of Food announced guaranteed higher milk prices to producers, varying from an increase of 6 cents per gallon in May, June, and July to an increase of 18 cents in December 1941 and January 1942. Thereafter the increase was to be reduced, as production increased in the spring, to 14 cents in March 1942.

Persons in specified income groups, eligible to benefit under the National Milk Scheme, such as nursing mothers, and children under 5 years old, will receive 1 pint of milk daily at 2d. (5 cents) per pint, if able to pay, or free of cost, whereas a child under 12 years may receive on the recommendation of a doctor, in place of liquid milk an equivalent weekly issue of 20 ounces of National Dried Milk.

Germany

Germany has more dairy cows than any other European country and produces and consumes more dairy products, but even in normal times was dependent on imports for about 14 percent of the butter and 9 percent of the cheese consumed. In January 1940, the number of milk cows was 10 million or about the same as in 1939, but smaller than in 1937 and 1938. Shortage of imported feed and oil cake may have affected the milk yield adversely by now, although cattle in Germany are chiefly maintained on domestic feeds.

As the war progressed during 1940, Germany was in a considerably more favorable position as concerns dairy products than any of the other

European deficit countries. The bulk of the products from the two important European surplus-producing countries, Denmark and the Netherlands, went to Germany in 1940, as well as additional quantities from other countries under German control or influence.

The recent increase in the butter ration reflects the normal seasonal increase in milk production. Butter rations for normal consumers and adolescents from 14 to 18 were increased by 62.5 grams (2.2 ounces) per person for the period June 2 to June 29, 1941, and a further increase of 2.2 ounces was announced for the succeeding period up to July 27. However, margarine consumption has been reduced by the same quantity so that the total ration of butter and margarine is the same as it was prior to June 2, or 31.4 ounces per person for the 4-week period or about one-half pound per week per person. The total cheese ration of 8.8 ounces per person for the 4-week period remains unchanged, but consumers may take 125 grams (4.4 ounces) of curds in place of 62.5 grams (2.2 ounces) of cheese. The total fat ration has remained unchanged.

France

Indications are that the present shortage of milk, butter, and cheese in France will be further aggravated in the winter of 1941-42. Requisitions and the forced slaughter of milk cows as a result of shortage of feed are mainly responsible for the reduced supplies of dairy products, and at the same time the quality of the milk has been affected by almost total lack of oil cake.

Denmark

The proposed reduction in milk-cow numbers of from 6 to 13 percent of the 1,614,000 reported on July 15, 1939, in rural communities is well under way. The number of milk cows reported as of December 1940, was 1,511,000 or 7 percent less than a year earlier. By July 1941, the decrease will probably be considerably larger. March 1941 numbers totaled only 1,483,000 head. In the World War period, the number of cows in July 1914 was only 1,416,000 and by 1918 had fallen to 1,106,000, or 22 percent.

In 1940 Danish butter production totaled only 366 million pounds, a decrease of 9 percent compared with 1939 and the smallest output since 1928. Milk production in the same year fell to 1,236 million gallons compared with 1,352 million in 1939. The March 1941 production index was only 63 percent for milk, with 1935 equalling 100. The late turning out of cows to pasture this year has caused a temporary slowing up of the seasonal increase in butter production, which in the first quarter averaged more than 30 percent below a year earlier.

Exports of Danish butter for the year 1940 fell to 238 million pounds, a reduction of 28 percent compared with 1939. Practically the entire quantity went to Germany. Exports during 1941 probably will not be so large as in 1940, but more in line with normal exports to Germany, which averaged 66 million pounds for the 5 years 1934-1938. Butter exports in the first quarter of 1941 amounted to only 28.7 million pounds or 59 percent less than in the corresponding months of 1940, and cheese exports to 2 million pounds or 61 percent less.

Netherlands

Milk-cow numbers in the Netherlands had been reduced to 1,250,000 head by early 1941 as compared with 1,566,000 in May 1939 as a consequence of shortage of fodder and requisitions. During the entire World War period, numbers decreased much less, i.e. from 1,100,000 in May 1913 to 1,086,000 in May 1921, or only 1 percent.

The Netherlands prior to the present war was the most important European exporter of several dairy products, such as condensed and evaporated milk and cheese, and also exported substantial quantities of butter. Production of condensed milk totaled 315 million pounds in 1939, while that of milk powder totaled 85 million pounds, cheese 266 million pounds, and butter 243 million pounds.

Supplies have now been reduced to such a low level that the fat ration, including butter, had to be curtailed to below the level of Germany, and for the first time a milk ration has been imposed.

Sweden

The growth of pasturage this spring (1941) has been delayed by drought and cold weather. This situation, combined with the shortage of concentrated feeds, is causing a serious problem for farmers. The number of dairy cows in September 1940, was 7 percent below the corresponding figure for 1937. July estimates show little change from 1937 to 1939.

There was an improvement in the butter situation late in 1940 and early in 1941 owing to various measures taken by the Swedish Government to divert cream to butter making. 1/ The latest step in this direction was taken in November 1940 when the Government, by an order of November 3, prohibited the production of cheese and cream with fat content of more than 30 and 15 percent, respectively.

Butter production for the year 1940 was 178 million pounds, or 4 percent smaller than in 1939. December 1940 butter production, however, exceeded that of December 1939. The seasonal increase continued in January 1941. As a result of the increase in butter production the ration for the period February 10 to March 9, 1941, was increased by

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1/ See Foreign Crops and Markets, February 3, 1941.

125 grams (4.4 ounces) for each person, to be allotted only once during this period. Also certain groups that have not previously had extra rations of butter will be entitled to such allotments.

The cheese ration was repealed as of February 1, 1941, but the price is regulated by the Government. The regular weekly ration of edible fats remains at 250 grams (8.8 ounces) per person, or a little over one-half pound per week.

In order to care for emergency stocks of butter, the Government Food Commission has recommended the erection of four cold-storage houses in various parts of Sweden where approximately 9 million pounds may be stored. The association of Swedish dairies, it is understood, will finance the building project, while an agreement has been made whereby the Government will rent them for a period of 5 years. A small shipment of 1 million pounds to Finland was allowed by the Government Food Commission during March 1941.

Norway

After April 1, 1941, the combined butter and margarine ration was 280 grams (9.9 ounces) per week per person compared with 315 grams (11.1 ounces) prior to that date, according to an order of the Directorate of Provisions and Rations.

Norwegian butter is reported to be crisper than formerly and lighter in color, the reasons for this being lack of green fodder and the small quantities of concentrated feeds available. Vegetable coloring matter, also imported in normal years, was not available for use by the dairies last winter. The water content of the butter is reported at 18 percent compared with 16 percent formerly, and the fat content has been reduced 2 percent.

Finland

It is estimated that total butter production in Finland in 1940 amounted to 97 million pounds, or at least 16 percent less than in 1938. On December 1, 1940, stocks of butter totaled 1 million pounds, margarine and margarine fats 11 million pounds, and cheese 2 million pounds. Margarine fats already shipped and awaiting shipment to Finland at that time were reported at 1 million pounds.

Switzerland

The number of dairy cows in Switzerland in April 1940 was large compared with 1931 and 1937 and only slightly smaller than in 1939, being estimated at 910,000 head. No estimate is as yet available for 1941. Shortage of fodder has resulted in slaughtering of poorer qualities of cows in order not to affect milk yields. Production of butter in 1940 was 15 percent smaller than in 1939 and of cheese slightly larger. Butter was placed on the ration list in the autumn of 1940, and the ration for May 1941 was announced at 300 grams per person, or smaller than in Germany. As in most of the occupied countries, cheese has acquired importance as a compensation item in exchange with Germany for imported coal, iron, and other essentials.

Normally milk, butter, and cheese supplied 48 grams (1.7 ounces) of the daily per capita consumption of fats for food, estimated for the years 1936-1938 at 100 grams (3.5 ounces). A special commission studying the situation has decided that the fat consumption may be reduced to 70 grams (2.5 ounces) daily without impairing the health of the Nation and that in an emergency it could be further reduced to 50 grams (1.8 ounces).

Italy

Italy, normally about self-sufficient in butter and an exporter of cheese, was one of the last European countries to place the dairy industry under complete Government control. Butter and cream production and consumption were placed under severe Government control by a ministerial decree of March 11, 1941. Subsequently the entire national production was to be placed at the disposition of the Ministry of Agriculture. Lists of producers were to be supplied to the Government, and producers and dealers were to keep records of receipts, deliveries, and stocks, as well as of the average fat content and the quantities of dairy products processed and delivered.

As an example of the kind of control in effect, during the period March 10, 1941, to April 10, 1941, as a means of increasing butter production, dairy farmers or others producing 4 quintals (881 pounds) daily in plain and hill districts or 6 quintals (1,323 pounds) daily in mountain districts must produce a minimum of 2.5 kilograms (5.5 pounds) of butter per quintal (220.46 pounds) of milk handled or the amount of cream necessary to produce that amount of butter. All operators were required to report their output to the Provincial Sections of the Food Administration every Monday during that period.

Cheese made from cow's milk during the same period was not to have a fat content exceeding 40 percent on the dry residue, nor powdered milk a fat content exceeding 24 percent. Types of cheese with a high fat content already manufactured were permitted to be sold until exhaustion.

Butter production in Italy during the 5 years 1934 to 1938 averaged 111 million pounds annually and increased from 99 to 127 million pounds between 1936 and 1938. Per capita consumption of butter in Italy is normally small, amounting to only 3 pounds per person annually, owing to the fact that in some parts of the country it is not consumed at all.

Cheese production during the same period averaged 523 million pounds, increasing from 474 million to 567 million pounds between 1936 and 1938. Per capita consumption of cheese in normal times averages around 12 pounds annually. Italy before the war was the most important source of United States cheese imports, especially of hard cheeses. It is estimated that in 1937 production of pecorino romano totaled 27 million pounds and parmegiano-reggiano 87 million pounds. Production in 1939-40 is officially estimated to have exceeded these figures.

CHEESE: Production in specified European countries, 1936-1940

Country	1936	1937	1938	1939	1940 Prel.
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
United Kingdom	123	85	97	-	-
Factory only	96	57	67	-	-
Ireland (Eire)	-	4	4	4	4
Norway a/ b/	40	40	41	41	c/ 31
Sweden	183	187	197	-	-
Factory only	75	74	76	-	-
Denmark	73	68	79	-	-
Finland a/	22	21	24	-	-
Netherlands	267	275	275	266	-
Belgium c/	17	17	17	-	-
France d/	-	494	478	-	-
Switzerland	108	118	116	115	119
Italy	474	540	567	-	-
Germany e/	493	499	498	-	-
Austria c/	71	71	-	-	-
Czechoslovakia a/	63	-	-	-	-
Hungary a/	17	17	24	-	-
Greece f/	137	142	121	-	-
Bulgaria	25	27	31	-	-
Rumania	g/ 220	-	-	-	-
Soviet Union	g/ 77	-	-	-	-

Compiled from official sources, International Institute of Agriculture, and reports of United States representatives abroad.

a/ Factory only. b/ Includes whey. c/ Estimate.

d/ Made from cow's milk only. At the census of 1929, cheese from cow's milk amounted to 431 million pounds, from ewe's milk to 33 million pounds, and from goat's milk to 41 million pounds.

e/ Including the Saar. Hard cheese only. In addition 113 million pounds of soft cheese were produced annually.

f/ Mostly from ewe's milk. g/ 1935.

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BUTTER: Production in specified European countries, 1936-1940

Country	1936	1937	1938	1939	1940 Prel.
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
United Kingdom	a/ 118	-	a/ 104	-	-
Creamery only	60	43	45	-	-
Ireland (Eire) b/	137	-	136	131	-
Creamery only	94	-	86	80	76
Norway, creamery	25	27	32	39	31
Sweden	183	187	197	-	-
Creamery only c/ ...	147	159	177	185	178
Denmark	397	404	418	403	366
Finland	-	-	115	-	97
Creamery only	61	66	73	-	-
Netherlands	223	222	227	243	-
State controlled ...	207	208	209	224	-
Belgium	143	139	142	134	a/ 120
France	-	458	a/ 438	-	-
Switzerland	60	57	66	63	55
Italy	99	121	127	-	-
Creamery only	-	85	-	-	-
Germany d/	1,094	1,149	1,118	a/1,200	a/1,300
Creamery only	846	919	906	1,000	-
Austria	49	49	-	-	-
Czechoslovakia	a/ 152	-	-	-	-
Creamery only	30	-	-	-	-
Hungary, creamery	22	25	22	-	-
Greece	13	13	10	-	-
Lithuania, creamery ..	35	37	43	44	-
Latvia	49	55	65	-	-
Creamery only	43	48	57	-	-
Estonia, creamery	30	35	-	39	-

Compiled from official sources, International Institute of Agriculture, League of Nations Yearbook, and reports of United States representatives.

a/ Estimate.

b/ Includes farm-produced butter for year ending May 31.

c/ Excludes whey.

d/ Includes the Saar.

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UNSOLD WOOL STOCKS SMALLER IN ARGENTINA . . .

End-of-season (September 30) stocks of unsold wool in Argentina are expected to be very small, according to information supplied by Agricultural Attaché Paul O. Nyhus at Buenos Aires. Many exporters are of the opinion that everything will have been sold before wool of the 1941-42 clip comes on the market in October. Apparent supplies (carry-over plus production minus exports) as of May 1, 1941, were about 16 percent below the same date of 1940.

ARGENTINA: Commercial stocks of wool, sold and unsold, held by exporters, dealers, manufacturers, freezing companies, and pulleries on first of month, October 1938-April 1941

First of month	1938-39	1939-40	1940-41
	Million pounds	Million pounds	Million pounds
October	41	38	84
November	54	41	81
December	80	81	120
January	48	106	140
February	99	119	138
March	101	126	142
April	a/	129	b/ 144
May	102	136	-
June	91	128	-
July	81	123	-
August	60	-	-
September	51	-	-

Argentine Bureau of Wool and Sheep (formerly Wool Institute).
a/ Not available.
b/ Includes 24 million pounds sold to foreign countries, but not yet exported.

ARGENTINA: Commercial stocks of sold and unsold wool held by different interests, January-April, 1940, 1941

Holding agency	1940				1941			
	Jan. 1	Feb. 1	Mar. 1	Apr. 1	Jan. 1	Feb. 1	Mar. 1	Apr. 1
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Exporters	44	58	61	54	67	69	76	74
Dealers	38	34	35	a/	49	43	39	41
Scouring mills	13	15	18	a/	13	14	15	16
Manufacturers	7	8	8	a/	7	7	8	9
Packing plants	4	4	4	a/	4	4	4	4
Others	0	0	0	71	7	0	0	0
Total	106	119	126	129	140	137	142	b/ 144

Argentine Bureau of Wool and Sheep.
a/ Details not available.
b/ Inclusive of 24 million pounds sold to foreign countries but not yet shipped.

Increased buying by the United States for civilian and defense purposes has practically made up for the inaccessibility of former continental European markets. Latest cabled advices point to total exports from Argentina of 312 million pounds up to May 22, compared with 230 million pounds in the first 8 months of last season. The United States has taken 85 percent of the total so far this season.

United States demand for finer grades has eased up somewhat, but buying by Argentine manufacturers has been active as the reduced stock situation is becoming more apparent. United States demand for carpet wool has been stronger recently in contrast to the relatively little interest shown in preceding weeks.

Commercial stocks of wool in all hands, including exporters and dealers, amounted to 144 million pounds as of April 1, compared with 129 million pounds a year earlier. Since 24 million pounds were reported as already sold awaiting export, unsold stocks on April 1 totaled only 120 million pounds. Stocks of coarse crossbred represented 9 percent of the total, whereas stocks of Criolla (native carpet-type wool) represented 2 percent.

Prices of finer grades, were somewhat lower in April 1941 than in April 1940 and considerably below the February 1941 averages, which were the highest for the year. The lower prices quoted recently may be attributed partly to the fact that most of the superior sorts have already been sold. Burry wools are now being exported to the United States. In the case of strictly carpet wool (Criolla) the April price at Buenos Aires was 18.22 pesos per 10 kilograms (25 cents per pound) or 13 percent higher than in February and 1 percent higher than in March of this year. The increase compared with April 1940 is 36 percent.

Exports through April totaled 273 million pounds, 84 percent of which went to the United States. The most important destinations were the United States, Japan, the United Kingdom, and the Soviet Union. Exports to Latin American countries, especially Mexico, Brazil, and Chile, exceeded materially those of a year ago, but were fairly small. Japan, the second largest customer, took 22 million pounds compared with 13 million a year ago and only 1 million in the same period of 1938-39. Purchases by the United Kingdom were much smaller than normal, as that country has at its disposition the entire clips of Australia, the Union of South Africa, and New Zealand, if needed. Exports to the Soviet Union in the period under review amounted to 6 million pounds, whereas last year these were not reported separately.

Argentine exporters have made a strong effort to induce the Boston wool importers to accept a basis of trading whereby any advance in present freight rates would be to the account of the buyer, i.c., f.o.b. Buenos Aires. This proposition has been rejected by most Boston importers, and the Argentine Wool Federation decided to continue the c.i.f. basis, but a member has been delegated to make an investigation in the United States relating to the proposed f.o.b. basis. Exporters trading on a c.i.f. basis and unable to secure freight space would incur a loss in the event of a sharp advance in freight rates.

ARGENTINA: Exports of wool by countries, October-April, 1940-41, with comparisons

Country of destination	October-April		
	1938-39	1939-40	1940-41
	1,000 pounds	1,000 pounds	1,000 pounds
AMERICA			
United States	49,068	98,149	229,843
Mexico	445	648	767
Brazil	1,120	64	644
Chile	225	64	205
Colombia	29	20	18
AFRICA AND ASIA			
South Africa	1,607	866	910
Egypt	a/	a/	505
Australia	a/	a/	108
India	-	-	11
Japan	869	12,579	22,042
China	a/	11	22
French India	a/	2	4
EUROPE			
United Kingdom	74,679	11,466	6,466
France	40,997	28,997	1,188
Belgium	16,305	11,058	a/
Netherlands	2,425	10,227	a/
Sweden	801	6,473	3,457
Finland	362	93	571
Germany	36,680	a/	a/
Austria	547	a/	a/
Poland	13,413	5	a/
Italy	3,298	15,203	a/
Spain	a/	a/	2
Soviet Union	a/	a/	5,981
Others	5,670	b/ 14,729	278
Total	248,540	210,654	273,022

Information supplied by American agricultural attaché, Buenos Aires.
a/ If any, included with others.

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GENERAL AND MISCELLANEOUS

FOOD RATIONING IN FRANCE 1/ . . .

There is no doubt that the food difficulties in France, both in the occupied and in the unoccupied zone, are considerable. The war, with its destruction and disorganization in agriculture, industry, and transportation has created serious problems. Crops in 1940 were short. German requisitions and takings of food stocks, livestock, and draft horses have intensified the country's plight. Large numbers of farmers and farm workers are prisoners of war in Germany. Under these conditions the reconstruction of French agriculture is proving a difficult task, although normally France has been nearly self-sufficient in foods, except for a substantial fat deficit, and the basic-producing capacity of French agriculture is certainly still very great.

It is hardly possible to evaluate quantitatively the food shortages existing at present. Ration allowances as officially decreed at present are probably less directly indicative of actual levels of consumption than in any other European country. On the one hand, there are indications that full rations cannot always be obtained by the coupon holders; on the other hand, a considerable proportion of the farm population - which in France is relatively large - can still consume food in larger than rationed quantities. Similarly, people of means able and willing to pay the high prices asked in the clandestine urban markets can secure better qualities and larger quantities than the ordinary urban consumer.

Furthermore, even though rations, with minor modifications, are supposed to be the same in the occupied as in the unoccupied zone, and as among regions in both zones, actual local differences in food supplies made available to the population are very great. Local as well as long-distance transportation is a difficult problem in present-day France, notably in the unoccupied zone, due to the shortage of coal and motor fuel and large-scale German requisition of rolling stock. The division of the country into an occupied and an unoccupied zone - territories which in many respects used to complement each other - not only proves a basic economic handicap to a reconstruction of the French economy, but also contributes to aggravate the regional inequalities in food supplies since only a limited exchange of products between the two zones may take place. Moreover, some agricultural districts are said to guard jealously their own local supplies of farm products, with or without the approval of the local authorities, so that certain invisible, but nevertheless very real, barriers to inter-regional trade have come into being. It is easy to see that in such conditions it is extremely difficult to divert the appropriate amounts of foodstuffs from the agricultural surplus areas to the urban deficit centers, and thus

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1/ Cf. articles on Denmark, Norway, and Sweden, Foreign Crops and Markets, May 5, 12, and 19, respectively; on Finland and the Netherlands, June 9, 1941; and on Belgium, June 16, 1941.

to assure a resonably equitable distribution. In the cities and certain other localities the food situation is probably extremely unsatisfactory, while in others it is fairly tolerable. Moreover, the dividing lines as between fair and poor conditions not only must be drawn on a geographical basis, but also on the basis of professional and class groupings. Farmers, officials, and the more well-to-do sectors of the population are considerably better off than the common city dweller who bears the brunt of the existing shortages.

Under the circumstances described, it is obvious that the meaning of the legal rations in terms of actual food consumption for France as a whole is obscure. The general impression gained by an analysis of the information available appears to suggest that the rations as presented in the following table do not overstate the measure of restriction to which the mass of the population in the urban and industrial centers has been subjected. Local variations in actual supplies, it should be recalled, are great; full legal rations are not physically available in all places and at all times; and prices have risen considerably.

The food rations as given in the table mentioned are statistically compared with estimates of pre-war average per capita consumption over all of France. This comparison should be accepted only with considerable reservation. In the first place, French official statistics have never provided comprehensive data on consumption, or on disappearance for human consumption, of foods. The estimates given, therefore, had to rely largely on unofficial sources or indications as to what average per capita consumption may have been. Secondly, an average per capita figure for a country like France, with such a variety of climatic, and other natural, economic, and ethnological conditions is highly artificial and conceals real and significant differences in the consumption of food as between north and south, west and east. Because of these differences, a total fat ration of only 100 grams per person per week, for example, probably means a much greater reduction compared to normal in the north than in the south of the country. Furthermore, little is known as to the present consumption of vegetables, fruits, and nuts, which before the war were consumed in substantial quantities, both from domestic production and imports. The comparison of present with pre-war food consumption, therefore, neglects some important items of the French diet.

So far as the mass of the population in the urban and industrial areas is concerned it appears that the supply of bread (including flour, alimentary pastes, cereals) - which is really the staff of life in the French diet - has probably been reduced by from one-third to one-half of normal consumption by the comparable consumer group. Consumption of sugar was perhaps curtailed by two-thirds, of meat also by about two-thirds. Consumption of fats was cut by from one-half to four-fifths, while the cheese rations appear to be somewhat liberal. These restrictions are the more drastic since the supply of other essential foodstuffs, officially rationed or not, has also been greatly curtailed.

FRANCE: Weekly food rations per person, April 1941

Foodstuffs	1941 Rations					Pre-war average per capita consumption a/ (recent years)
	Rations for "Normal consumers"	Rations for heavy workers including farmhands	Rations for children			
			Under 3 years	3-7 years	7-14 years	
	Grams	Grams	Grams	Grams	Grams	Grams
Bread, flour, and cereals:						
Bread and flour:						
In terms of bread	1,925	2,450	700	1,400	2,450	b/ 3,400 - 3,600
In terms of flour	1,480	1,885	540	1,080	1,885	b/ 2,600 - 2,750
Alimentary pastes	88	88	88	88	88	c/ 150
Rice	47	47	70	47	47	d/ 150
Total bread, flour, and cereals:						
In terms of flour	e/ 1,615	e/ 2,020	e/ 700	e/ 1,210	e/ 2,020	e/ 2,900 - 3,050
In terms of bread	e/ 2,100	e/ 2,625	e/ 900	e/ 1,575	e/ 2,625	e/ 3,800 - 4,000
Dried vegetables	58	f/	f/	f/	f/	-
Potatoes	700	f/	f/	f/	f/	-
Sugar	117	117	233	117	117	g/ 350
Marmalade	f/	f/	f/	f/	f/	-
Meat h/	i/ 250	310	250	250	250	j/ 820
Fish	Not rationed					-
Fats and oils:						
Butter	k/	k/	k/	k/	k/	110 - 120
Vegetable oils	k/	k/	k/	k/	k/	l/m/ 230
Beef suet and lard	k/	k/	k/	k/	k/	c/ 60 - 100
Total edible fats and oils	100	100	100	100	100	400 - 450

Cheese	75	75	75	75	75	100 - 110
Milk	n/	0	750	o/ 750	p/ 250	q/ 2,000
Eggs	r/	r/	r/	r/	r/	s/ 160

Rations (1941) compiled from published sources. Pre-war average per capita consumption as per sources given in the following notes. For comment and reservations regarding the data and comparisons given in this table see also text of the article.

a/ According to data given in Annuaire Statistique, Bulletin de la Statistique Générale de France, and Revue d'Economic Politique, except as stated. These data are over-all per capita figures, including all levels of individual consumption, such as for adults or children, or for farmers, heavy workers, "normal consumers," etc.

b/ Estimate based on data given by M. K. Bennett in: "Per Capita Wheat Consumption in Western Europe" (Wheat Studies, March 1935) and by the Market Supply Committee in: "Food Consumption in Great Britain and Certain Foreign Countries." Per capita disappearance figures given by official French statistics (Annuaire Statistique, etc.) do not allow for seed, waste, feed uses and movements in stocks and cannot, therefore, be used directly as a measure of the consumption of wheat for food. There has doubtless been a decline in per capita consumption of wheat as food in France since the pre-World War period. Dr. Bennett (loc. cit.) estimates this consumption to have declined from 8.07 bushels in 1909-1914 to 6.98 bushels per person in 1929-1934, or by about 14 percent. There are no indications of any further significant decline since the early thirties.

c/ Roughly estimated.

d/ Estimate based on foreign trade statistics of earlier years. Since the early thirties the indicated increase in rice consumption by France (due to large imports from Indochina where the disposal of the export surplus presented difficulty) mostly went into increased feeding. (Cf. Imperial Economic Committee: "Grain Crops," 1939, p. 135.) Nevertheless, some increase in human consumption compared to the latter part of the twenties has been assumed.

e/ 1 pound of flour or rice and alimentary pastes assumed to equal 1.3 pounds of bread.

f/ Not known.

g/ Rough estimate of household consumption only. Total consumption of sugar, including industrial, is estimated at around 450 grams.

Continued -

h/ Meat rations and pre-war consumption include 20 percent bone; they also include charcuteries, but exclude game and fowl. The latter are not at present rationed in France, but are becoming increasingly difficult to obtain.

i/ Meat ration for June in some Departments was reported by the press to have been curtailed to 175 grams; for example, the Department of the Allier, where Vichy is located (New York Times, June 10, 1941).

j/ 700 grams as per inspected slaughter, plus 120 grams as per non-inspected slaughter. The estimated per capita consumption figure checks very closely with data published by other sources including the Imperial Economic Committee in its series on Meat (London, 1938, and earlier years).

k/ Included in total ration for edible oils and fats.

l/ Estimate, based on data given by Imperial Economic Committee, in: "Vegetable Oils and Oilseeds," London, 1938, p. 116.

m/ Including margarine and cooking fats manufactured from vegetable oils.

n/ Only children, expectant and nursing mothers are entitled to receive whole milk. No reliable information appears to be available in regard to the distribution of skimmed milk.

o/ Children 3 to 6 years old.

p/ Children 6 to 14 years old.

q/ Market Supply Committee (Overseas Intelligence): "Food Consumption in Great Britain and Foreign Countries," M. S. C. O. I. 316, as quoted by the International Labour Office, Studies and Reports, Series B (Social and Economic Conditions) No. 23, p. 237, with reference to table on p. 231. These data probably refer to cow's milk only and the estimate for France seems somewhat high.

r/ Not rationed, supplies however reported to be very small.

s/ Somewhat less than 3 eggs per person per week, calculated at 55 grams per egg. The numerical estimate was taken from "Nutrition, Final Report of the Mixed Committee of the League of Nations," Geneva, 1937, p. 115.

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FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average value in New York of specified currencies, June 14, 1941, with comparisons a/

Country	Monetary unit	Year 1940	Month				Week ended		
			1939	1940	1941		1941		
			May	May	April	May	May 31	June 7	June 14
		Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina...	Paper peso	29.77	31.21	29.77	29.77	29.77	29.77	29.77	29.77
Australia b/	Pound.....	305.16	372.89	260.80	320.70	321.19	321.40	321.31	321.32
Canada b/ ..	Dollar....	85.14	99.62	80.96	87.65	87.42	87.52	88.34	88.01
China	Shang.yuan	6.00	15.99	5.08	5.19	5.25	5.34	5.29	5.30
England b/..	Pound.....	383.00	468.12	327.36	402.48	403.10	403.34	403.21	403.23
Germany	Reichsmark	40.02	40.12	40.02	39.96	39.97	39.97	39.97	39.97
Italy	Lira......	5.04	5.26	5.04	5.05	5.08	5.22	5.26	5.26
Japan	Yen.......	23.44	27.27	23.44	23.44	23.44	23.44	23.44	23.44
Mexico	Peso......	18.55	20.02	16.65	20.54	20.54	20.54	20.53	20.54
Sweden......	Krona.....	23.80	24.11	23.79	23.83	23.84	23.84	23.83	23.84
Switzerland.	Franc.....	22.68	22.48	22.25	23.20	23.20	23.20	23.21	23.20

Federal Reserve Board.

a/ Noon buying rates for cable transfers. Denmark, France, the Netherlands, and Norway omitted, as rates are not available. The last average monthly quotations in 1940 were as follows: Denmark, March, 19.31 cents; France, June, 2.01; the Netherlands, April, 53.08; and Norway, April, 22.71 cents.

b/ In addition to the free rate there is also a fixed official buying rate: Australia, 322.80; Canada, 90.91; and England, 403.50 cents.

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